

BUDGET

CONFIDENTIALDD/S ADMINISTRATIVE
INSTRUCTION No. 64-13

25 SEP 1964

FISCAL YEAR 1965 PROGRAMMING

REFERENCE: Action Memorandum No. A-422 dtd 23 Sept 64 to the Deputy Directors fr Ex, Dir-Compt, same subject

1. For your information Action Memorandum No. A-422 is reproduced below. Your particular attention is directed to the requirements specified in paragraph 2.

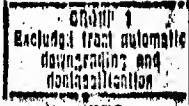
"1. As a result of Congressional cuts in the Agency's FY 1965 request, the funds available for allocation to each Directorate and for allotment to each principal component of the Agency will be reduced somewhat below the Agency's Congressional budget submission. The identification of FY 1965 cuts for purposes of preparing the FY 1966 budget have been reviewed with each Directorate and the FY 1966 budget presentation to the Bureau of the Budget will reflect the location of the Congressional cuts.

"2. Within the next few weeks you will receive specific allotments for operating in FY 1965. I would urge that you examine these allotments most carefully and assure that the execution of the programs approved thereunder is undertaken with maximum economy of operation consistent with sound productivity. I am convinced, for example, that all Directorates can reduce their procurement requirements to absolute essentials. Travel costs can also be pared by reducing unnecessary travel, domestic and foreign. I would urge that you establish a target of savings for your Directorate of at least ten per cent in both of these fields. Likewise, it has become apparent from the last two years' experience that procurement management in all Directorates can be improved by phasing to avoid the end-year buildup and uneven distribution of workload on the Office of Logistics. I have asked the Director/BPAM, in concert with the DD/S, to make a special point of watching the nature and rates of procurement for all Agency components and to recommend actions to bring about improvement and economy in this aspect of Agency management.

"3. As we proceed through FY 1965, I anticipate a need for considerable reprogramming within Directorates and between Directorates. Adjustments in funds and manpower ceilings will be involved. BPAM will

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 continue to provide an independent review of financial and manpower implications of new programs which originate within the Agency or in response to USIB or Special Group requirements, and will continue to assure that the Agency's financial plan, as recorded with the Bureau of the Budget and the President, is kept current and reflects both in form and substance the program decisions of each Directorate. In addition to their regular reviews of your programs and projects as provided in

[redacted] I will be calling upon BPAM to undertake a variety of special studies which will assist us in consideration of dollar and manpower levels for operations in FY 1966 and in the identification of possible organizational problems. Of course, these matters are your direct responsibility in the first instance.

"4. During the year I shall continue to look to the Financial Policy and Budget Committee as a sounding board and advisory body to assist me in the immediate and long range financial and program issues of the Agency and in the implementation of changes that may be required to improve our general performance. I will also meet with you from time to time to go over the substance of your programs, including any organizational, dollar and manpower implications. I am convinced that if all Directorates work together, the Agency can progressively enhance its personnel and dollar utilization and substantively respond to the Director's policy to improve productivity and quality of performance in the execution of the Agency's mission.

/s/ Lyman B. Kirkpatrick
 Executive Director-Comptroller"

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FOR THE DEPUTY DIRECTOR FOR SUPPORT:

[redacted]
 EXECUTIVE OFFICER

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Chief, Administrative Staff/DDI

Director of Logistics

Fiscal Year 1965 Programming

REFERENCE: Action Memorandum No. A-422 dated 23 September 1964 to the Deputy Directors from Executive Director-Comptroller, same Subject

1. The reference memorandum requests that action be taken to improve procurement management by phasing procurement actions to avoid the end-year buildup and uneven distribution of workload on the Office of Logistics that has been experienced in past years. To accomplish this, I am requesting Agency components concerned to provide us with planning data for the third and fourth quarters of Fiscal Year 1965.

2. The specific type of information which will assist in this program is set forth in the Procurement Handbook, [redacted] Chapter II, 11a. Unfortunately, we did not have the benefit of this information in the first and second quarters, but we would appreciate receiving that covering the remainder of the fiscal year by the end of this month. [redacted] is the representative from the Procurement Division and will be available for such information as may be required.

3. A continuing objective of procurement management is the need to increase the workload in the first two quarters of the fiscal year to achieve a more constant work flow. In further response to reference above, I am urging all components to begin procurement planning for Fiscal Year 1966. While complete scheduling may not be possible at this time, data covering at least the first two quarters would be extremely valuable if received by the Procurement Division prior to the start of the new fiscal year.

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ALAN M. WARFIELD

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